

**DEPARTMENT OF STATE REVENUE**

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**LETTER OF FINDINGS NUMBER: 98-0217 MVE**

**Motor Vehicle Excise Tax**

**For Tax Period: 05/31/92 Through 12/31/97**

**NOTICE:** Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

**ISSUE**

**I. Motor Vehicle Excise Tax – Imposition**

**Authority:** IC 9-18-2-1

Taxpayers protest the imposition of the Motor Vehicle Excise Tax on their 1992 Mitsubishi.

**STATEMENT OF FACTS**

Throughout the assessment period taxpayers owned only one vehicle. Taxpayers filed a part-year resident Indiana tax return for 1992. Taxpayers filed full-year resident Indiana tax returns for the subsequent years. Taxpayers registered the 1992 Mitsubishi in Indiana in December, 1997. The Department assessed the Motor Vehicle Excise Tax for years 1992 through 1997. Taxpayers protested this assessment. Additional information will be provided below, as necessary.

**I. Motor Vehicle Excise Tax – Imposition**

**DISCUSSION**

Pursuant to Indiana Code section 9-18-2-1, within sixty days of becoming an Indiana resident a person must register all motor vehicles owned by that person that will be operated in Indiana.

Taxpayers claim they do not owe the Motor Vehicle Excise Tax for the assessment period. Taxpayers claim they properly licensed and registered the vehicle in Indiana for the 1992 tax year. Taxpayers claim that during the remaining years the vehicle was used in Illinois for business purposes and was not required to be registered in Indiana. Taxpayers did not transfer title of the vehicle to the business. Taxpayers have provided a statement from an Illinois insurance agent which states the vehicle was insured and domiciled in Illinois from 06/23/93 through 11/23/97. Taxpayers also submit copies of expense reports in which the taxpayers expensed the vehicle in the operation of a business located in Illinois.

The Department finds the taxpayers were residents of Indiana pursuant to the filing of their Indiana tax returns. The Department also finds the taxpayers did not register any vehicle in Indiana throughout the assessment period. Taxpayers concede the vehicle was used occasionally to commute between their home in Indiana and the business in Illinois. Taxpayers claim other vehicles were used for this purpose as well and that the 1992 Mitsubishi was not present in Indiana every day. Taxpayers have provided no proof that other vehicles were used for this purpose. Taxpayers have also failed to provide evidence that the 1992 Mitsubishi was maintained and garaged in Illinois throughout the assessment period. Taxpayers resided in Indiana and commuted to Illinois daily but had no vehicle registered in Indiana. The Department finds the taxpayers are liable for the registration of any vehicles owned by the taxpayers and operated in Indiana. Taxpayers have failed to prove that another vehicle was operated in Indiana to the exclusion of the 1992 Mitsubishi.

**FINDING**

Taxpayers' protest is sustained in part and denied in part. Taxpayers will not be liable for the Motor Vehicle Excise Tax for year 1992 if they have already paid the excise tax for that period. Pursuant to Department verification, the taxpayers protest for that year is sustained. Taxpayers are liable for the Motor Vehicle Excise Tax for the remainder of the assessment period.